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July 27, 2001

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**FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY**

Magalie R. Salas, Esq.
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

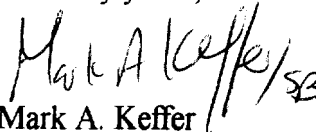
Re: CC Docket No. 00-251
**In the Matter of Petition of AT&T Communications of
Virginia, Inc., TCG Virginia, Inc., ACC National Telecom
Corp., MediaOne of Virginia and MediaOne
Telecommunications of Virginia, Inc. for Arbitration of an
Interconnection Agreement With Verizon Virginia, Inc.
Pursuant to Section 252(e)(5) of the Telecommunications
Act of 1996**

Dear Ms. Salas:

Enclosed for filing in this proceeding are an original and twelve copies of the parties' revised Joint Decision Point List reflecting the restatement of the issues which Verizon raised in its Motion to Dismiss. A copy of this letter and the Joint Decision Point List is being served on Verizon Virginia, Inc. by hand delivery and by email.

Thank you for your consideration in this matter.

Sincerely yours,


Mark A. Keffer

cc: Service List

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ENCLOSURE



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JUL 27 2001
FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

CC Docket No. 00-251

Stephanie A. Baldanzi

REVISED PORTION OF THE JOINT DECISION POINT LIST **Restatement of Issues Raised in Verizon's Motion to Dismiss**

WorldCom, Cox, AT&T ads. Verizon
(Docket Nos. 00-218, 00-249, and 00-251)

ISSUE NUMBERING KEY:

- Category I: (1) unique to Cox or common to (2) Cox and **WorldCom**, (3) Cox and *AT&T*, or (4) all Petitioners
Category II: common to **WorldCom** and *AT&T* (pricing/costing)
Category III: common to **WorldCom** and *AT&T* (non-pricing/non-cost)
Category IV: unique to WorldCom
Category V: unique to AT&T
Category VI: Verizon supplemental issues with WorldCom
Category VII: Verizon supplement issues with AT&T

KEY WHERE DISTINCTION AMONG PETITIONERS IS NECESSARY:

WorldCom (bold)
Cox (underline text)
AT&T (italic)

The parties restated the issues listed here at the direction of the FCC following the filing of Verizon's Motion to Dismiss. The parties will incorporate these restated issues into one JDPL when the JDPL is filed again on September, 10, 2001, as set forth in the FCC's current schedule.

Issue No.	Statement of Issue	Petitioners' Proposed Contract Language	Petitioners' Rationale	Verizon's Proposed Contract Language	Verizon Rationale
Intercarrier Compensation					
I-5	<p>Should the agreement implement the Commission's recent ISP Intercarrier Compensation Order?</p> <p><u>Verizon may not refuse to include in the Agreement an adequate description of the rates, terms and conditions</u></p>	<p>"ISP-bound Traffic" shall have the same meaning as is used in the FCC's Order on Remand and Report and Order in CC Docket Nos. 96-98 & 99-68, FCC 01-131, released April 27, 2001 ("ISP Remand Order").</p> <p>Section x. Compensation for ISP-bound Traffic</p>	<p>There needs to be agreed-upon rules to implement certain provisions of the Commission's recent order, and the parties' interconnection agreement is the most sensible place to establish such rules. The agreement should specify: 1) How to</p>	<p><u>*Cox and Verizon continue discussions regarding the following proposed language, which may change based on those discussions]</u></p> <p>1.25a "Extended Local Calling Scope Arrangement" means an arrangement that provides a Customer a local calling scope (Extended Area Service, "EAS"), outside of the Customer's basic exchange serving area. Extended Local Calling Scope Arrangements may be either optional or non-optional. "Optional Extended</p>	<p>Verizon has provided to AT&T, WorldCom and Cox its proposed contract language designed to give effect to the ISP Remand Order as appropriate in the context of a § 252 interconnection agreement. Moreover, Verizon has now received proposed contract language from both WorldCom and Cox. Because of the recent release of the ISP Remand Order, the Parties have not had the opportunity to</p>

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	<p>applicable to the parties' implementation of the FCC's ISP Order, including provisions addressing the following questions:</p> <p><i>What are the appropriate terms and conditions to comprehensively implement the Commission's ISP Remand Order?</i></p>	<p>x.1 This section is intended to implement the FCC's ISP Remand Order for any period in which both the ISP Remand Order and this Agreement are in effect. The terms used in this Section x shall have the same meaning as those terms are used in the ISP Remand Order. Additionally, as used in this Agreement, the term "ISP-bound Traffic" shall have the same meaning as the term is used in the ISP Remand Order.</p> <p>x.2 The Parties agree to pay each other for delivering ISP-bound Traffic and section 251(b)(5) traffic in accordance with the terms and conditions of this section x. For purposes of this section x, ISP-bound Traffic and section 251(b)(5) local traffic shall be identified in accordance with the provisions of Section x.4 below.</p> <p>x.3 The information access rates described in Sections x.3.2. for the delivery of ISP-bound Traffic shall apply only if: (a) Verizon requests that ISP-bound Traffic be treated at the rates</p>	<p>calculate the 3:1 ratio; 2) How to implement the rate caps for ISP-bound traffic; 3) How to implement a potential Verizon offer to exchange all (b)(5) traffic WorldCom at FCC-mandated rates; and 4) Whether a change of law provision specifically addressing possible reversal of the FCC's ISP order is appropriate.</p> <ul style="list-style-type: none"> • Specific terms and conditions regarding the treatment of ISP-bound traffic must not be excluded from the Agreement. • To avoid protracted controversy over the implementation of the FCC's ISP Order, the Agreement must contain requisite rates, terms and conditions with sufficient specificity to guide the parties' activities. • Each party's new language should be crafted only to implement the ISP 	<p>Local Calling Scope Arrangement Traffic" is traffic that under an optional Extended Local Calling Scope Arrangement chosen by the Customer terminates outside of the Customer's basic exchange serving area.</p> <p>1.26 "FCC" means the Federal Communications Commission.</p> <p>1.26a "FCC Internet Order" means the FCC's Order on Remand and Report and Order, <i>In the Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, Intercarrier Compensation for ISP Bound Traffic</i>, FCC 01-131, CC Docket Nos. 96-98 and 99-68 (adopted April 18, 2001).</p> <p>1.29a "Information Access" means the provision of specialized exchange telecommunications services in connection with the origination, termination, transmission, switching, forwarding or routing of telecommunications traffic to or from the facilities of a provider of information services.</p> <p>1.41a "Measured Internet Traffic" means dial-up, switched Internet Traffic originated by a Customer of one Party on that Party's network at a point in a Verizon local calling area, and delivered to a Customer or an Internet Service Provider served by the other Party, on that other Party's network at a point in the same Verizon local calling area. Verizon local calling areas shall be as defined in Verizon's effective Customer Tariffs (including, but not limited to, to the extent applicable, Verizon Tariffs S.C.C.-Va.-Nos. 201 and 202). For the purposes of this definition, a Verizon local calling area includes a non-optional Extended Local Calling Scope Arrangement, but does</p>	<p>engage in meaningful negotiations related to the exchange of this contract language. Accordingly, Verizon suggests that Issue No. 1-5 be added to the mediation track in order to develop contractual language and further refine any outstanding issues. Consistent with its previous communications regarding the mediation track, Verizon's proposal is contingent on participation by all Parties to ensure that the issue is not split for purposes of the timing of any testimony.</p> <p>With regard to AT&T's currently proposed Issues 1-5, Verizon agrees that this issue ultimately is appropriate for arbitration should the Parties fail to resolve it in the context of mediation.</p> <p>Unlike AT&T, WorldCom suggests several sections of contract language without defining precisely the issues other than to say that the issue to be arbitrated "is how best to implement and operationalize the Commission's ISP Remand Order." As currently proposed, WorldCom's proposed Issue 1-5 is inappropriate for arbitration because of its failure to focus on particular issues arising out of differences in proposed contract language. If WorldCom would agree to the issues as restated by AT&T, as noted above, Verizon suggests that they can best be resolved in the context of mediation.</p> <p>With respect to Cox, Verizon is review its Issues 1-5 and will consider them in</p>

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Issue No.	Statement of Issue	Petitioners' Proposed Contract Language	Petitioners' Rationale	Verizon's Proposed Contract Language	Verizon Rationale
		<p>Traffic be treated at the rates specified in the ISP Remand Order; (b) Verizon offers to exchange all traffic subject to the reciprocal compensation provisions of section 251(b)(5) with LECs, CLECs, and MRS, at these information access rates; and (c) Verizon has paid all passed due amounts owed on WorldCom's delivery of ISP-bound Traffic prior to June 14, 2001. If Verizon does not comply with these conditions, then the rate for the delivery of ISP-bound Traffic shall be the rate for reciprocal compensation set forth in Table 1 of this Attachment.</p> <p>x.3.1 The reciprocal compensation rates shown in Table 1 apply to the exchange of all section 251(b)(5) traffic.</p> <p>x.3.2 Information Access Rates. For the period beginning on June 14, 2001 and ending on December 13, 2001, the Party delivering ISP-bound Traffic will bill the Party originating this traffic an information access rate of \$.0015 per minute of use (MOU). To the extent that this Agreement remains in effect, beginning on December 14,</p>	<p><u>only to implement the ISP Order and not to introduce new issues or controversies to this proceeding.</u></p> <p><i>In the wake of the recent ISP Remand Order, a number of critical implementation issues remain concerning the three-year transitional intercarrier compensation scheme for ISP-bound traffic. AT&T's proposed contract language provides a compelling framework for addressing these complex issues. Among other things, AT&T proposes mechanisms for: calculating the amount of ISP-bound traffic under the Commission's 3:1 ratio; determining appropriate growth caps and rate caps; implementing any Verizon offer to offer exchange all traffic subject to section 251(b)(5) at the rate mandated by the FCC for terminating ISP-bound traffic; and adopting changes resulting from successful legal appeals of the ISP Remand Order. Moreover, AT&T's proposed language will</i></p>	<p>not include an optional Extended Local Calling Scope Arrangement. Calls originated on a 1+ presubscription basis, or on a casual dialed (10XXX/101XXXX) basis, are not considered Measured Internet Traffic.</p> <p>1.60 "Reciprocal Compensation" means the arrangement for recovering, in accordance with Section 251(b)(5) of the Act, the FCC Internet Order, and other applicable FCC orders and FCC Regulations, costs incurred for the transport and termination of Reciprocal Compensation Traffic originating on one Party's network and terminating on the other Party's network (as set forth in subsection 5.7).</p> <p>1.60a "Reciprocal Compensation Traffic" means Telecommunications traffic originated by a Customer of one Party on that Party's network and terminated to a Customer of the other Party on that other Party's network, except for Telecommunications traffic that is interstate or intrastate Exchange Access, Information Access, or exchange services for Exchange Access or Information Access. Reciprocal Compensation Traffic does not include: (1) any Internet Traffic; (2) Toll Traffic, including, but not limited to, calls originated on a 1+ presubscription basis, or on a casual dialed (10XXX/101XXXX) basis; (3) Optional Extended Local Calling Arrangement Traffic; (4) special access, private line, Frame Relay, ATM, or any other traffic that is not switched by the terminating Party; or, (5) Tandem Transit Traffic.</p> <p>1.71 "Toll Traffic" means traffic that is originated by a Customer of one Party on that Party's network and terminates to a Customer of the other Party on that Party's network and is not Reciprocal Compensation</p>	mediation.

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		<p>beginning on December 14, 2001, and ending on June 13, 2003, the Party delivering ISP-bound Traffic will bill the Party originating this traffic an information access rate of \$.001 per MOU. To the extent that this Agreement remains in effect, beginning on June 14, 2003, and ending on June 13, 2004, the Party delivering ISP-bound Traffic will bill the Party originating this traffic an information access rate of \$.0007 MOU. The ISP Remand Order specifies that, in the event the FCC does not take further action within the final period during which the \$.0007 per MOU information access is applicable to ISP-bound Traffic, that period will be extended until the FCC takes such further action. The Parties agree that the \$.0007 per MOU information access rate will continue in effect for ISP-bound Traffic beyond June 13, 2004, if the FCC fails to take such further action by that date, to the extent this Agreement remains in effect during such period.</p> <p>x.4. Identification of ISP-bound Traffic and 251(b)(5) local traffic. Traffic that</p>	<p><i>clarify certain ambiguities in the Commission's decision and will allow AT&T and Verizon to implement this new intercarrier compensation regime in an expeditious manner.</i></p>	<p>Traffic, Measured Internet Traffic or Ancillary Traffic. Toll Traffic may be either "IntraLATA Toll Traffic" or "InterLATA Toll Traffic," depending on whether the originating and terminating points are within the same LATA.</p> <p>1.71a "Traffic Factor 1" means a percentage calculated by dividing the number of minutes of interstate traffic (excluding Measured Internet Traffic) by the total number of minutes of interstate and intrastate traffic. $\left(\frac{\text{Interstate Traffic Total Minutes of Use} \{ \text{excluding Measured Internet Traffic Total Minutes of Use} \}}{\text{Interstate Traffic Total Minutes of Use} + \text{Intrastate Traffic Total Minutes of Use}} \right) \times 100$. Until the form of a Party's bills is updated to use the term "Traffic Factor 1," the term "Traffic Factor 1" may be referred to on the Party's bills and in billing related communications as "Percent Interstate Usage" or "PIU."</p> <p>1.71b "Traffic Factor 2" means a percentage calculated by dividing the combined total number of minutes of Reciprocal Compensation Traffic and Measured Internet Traffic by the total number of minutes of intrastate traffic. $\left(\frac{\text{Reciprocal Compensation Traffic Total Minutes of Use} + \text{Measured Internet Traffic Total Minutes of Use}}{\text{Intrastate Traffic Total Minutes of Use}} \right) \times 100$. Until the form of a Party's bills is updated to use the term "Traffic Factor 2," the term "Traffic Factor 2" may be referred to on the Party's bills and in billing related communications as "Percent Local Usage" or "PLU."</p> <p>5.6.1.1 If the originating Party passes CPN on ninety-</p>	

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		<p>local traffic. Traffic that originates on Verizon's network and that WorldCom delivers to a MCI customer and that is in excess of a ratio of 3:1 of all of the local MOU that originates on MCI's network for delivery by Verizon to Verizon's customers. The Parties further agree that such traffic that MCI delivers for Verizon which is in not in excess of a ratio of 3:1 of all of the MOU that Verizon's delivers for MCI shall be billed by MCI at the reciprocal compensation rates contained in Table 1 to this Agreement.</p> <p>x.4.1. The Parties agree that (a) MOU originated by MCI over inter-connection trunks between MCI's local switches and Verizon's local network, and (b) MOU originated by MCI over the Network Element Platform (UNE-P) leased from Verizon shall be included for purposes of the 3:1 ratio calculation</p>		<p>five percent (95%) or more of its calls, the receiving Party shall bill the originating Party the Reciprocal Compensation Traffic call completion rate, Measured Internet Traffic rate, Intrastate Exchange Access rates, intrastate/interstate Tandem Transit Traffic rates, or interstate Exchange Access rates applicable to each minute of traffic, as provided in Exhibit A, the FCC Internet Order and applicable Tariffs, for which CPN is passed. For any remaining (up to 5%) calls without CPN information, the receiving Party shall bill the originating Party for such traffic as Reciprocal Compensation Traffic call completion rate, Measured Internet Traffic rate, intrastate Exchange Access rates, intrastate/interstate Tandem or Tandem Transit Traffic rates, or interstate Exchange Access rates applicable to each minute of traffic, as provided in Exhibit A, the FCC Internet Order and applicable Tariffs, in direct proportion to the minutes of use of calls passed with CPN information.</p> <p>5.6.1.2 If the originating Party passes CPN on less than ninety-five percent (95%) of its calls and the originating Party chooses to combine Reciprocal Compensation and Toll Traffic on the same trunk group, the terminating Party shall bill its interstate Switched Exchange Access Service rates for all traffic passed without CPN unless the Parties agree that such other rates should apply to such traffic.</p> <p>5.6.2 Either Party may classify traffic as either Reciprocal Compensation Traffic/Measured Internet Traffic or Toll Traffic for billing purposes by using Traffic Factor 1 and Traffic Factor 2, in lieu of CPN information. The Traffic Factor 1 and Traffic Factor 2 applicable upon the Effective Date are specified in Schedule 5.6. Such Traffic Factors may be updated by</p>	

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		<p>ratio calculation described in Section x.4.</p> <p>x.4.2 The 3:1 ratio will be computed by using the billing Party's recordings of calls originated from and terminating to its customers. When such recordings are unavailable from the facilities of the billing Party, call records supplied to the billing Party may be used for the ratio computation.</p> <p>x.5. Demand or Minutes of Use Cap. For ISP-bound Traffic exchanged during the year 2001, and to the extent this Agreement remains in effect during that year, the information access rates set out in Section x.3.2 shall be billed by MCIm to Verizon on ISP-bound Traffic for MOU only up to a ceiling equal to, on an annualized basis, the number of ISP-bound minutes originated on Verizon's network and delivered by MCIm during the first quarter of 2001, plus a ten percent growth factor. For ISP-bound Traffic exchanged during the year 2002, and to the extent this Agreement remains in</p>		<p>the originating Party quarterly by written notification. <u>The determination of whether traffic is Reciprocal Compensation Traffic or Measured Internet Traffic shall be in accordance with Section 5.7.5, below.</u></p> <p>5.7 Reciprocal Compensation Arrangements -- Section 251(b)(5)</p> <p>5.7.1 The Parties shall compensate each other for the transport and termination of Reciprocal Compensation Traffic over the terminating carrier's switch in accordance with Section 251(b)(5) of the Act at the rates provided in the Detailed Schedule of Itemized Charges (Exhibit A hereto), as may be amended from time to time in accordance with Exhibit A and subsection 20.1. These rates are to be applied at the Cox-IP for traffic delivered by Verizon, and at the Verizon-IP for traffic delivered by Cox. No additional charges shall apply for the termination of such Reciprocal Compensation Traffic delivered to the Verizon-IP or the Cox-IP by the other Party, except as set forth in Exhibit A. When such Reciprocal Compensation Traffic is terminated over the same trunks as IntraLATA Toll Traffic, any port or transport or other applicable access charges related to the delivery of IntraLATA Toll Traffic from the IP to an end user shall be prorated to be applied only to the IntraLATA Toll Traffic. The designation of traffic as Reciprocal Compensation Traffic for purposes of Reciprocal Compensation shall be based on the originating and terminating NPA-NXXs <i>points</i> of the complete end-to-end communication. Reciprocal Compensation shall apply to Internet Traffic handed off from one Party to the other Party via the switched network for delivery to an Internet Service Provider</p>	

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		<p>this Agreement remains in effect during that year, the information access rates set out in Section x.3.2 shall be billed by MCI to Verizon on ISP-bound Traffic for MOU only up to a ceiling equal to the number of ISP-bound minutes originated on Verizon's network and delivered by MCI for the year 2001, plus a ten percent growth factor. For ISP-bound Traffic exchanged during the year 2003, and to the extent this Agreement remains in effect during that year, the information access rates set out in Section x.3.2 shall be billed by MCI to Verizon on ISP-bound Traffic for MOU only up to a ceiling equal to the number of ISP-bound minutes terminated by Verizon to MCI for the year 2002.</p> <p>x.6 Reservation of Rights. The terms of Sections x.3, x.3.2, Table 1 (rate schedule), x.4, x.4.x, and x.4.2 may be voided by either Party, upon written notice to the other party, if any legislative, regulatory, or judicial action, rule, or regulation modifies, reverses, vacates, or remands the ISP Remand Order, in</p>		<p>("ISP") for carriage over the Internet.</p> <p>5.7.2 Transport and termination of the following types of traffic shall not be subject to the Reciprocal Compensation arrangements set forth in this subsection 5.7, but instead shall be treated as described or referenced below:</p> <p>(a) Traffic that (i) is delivered by Verizon to Cox, (ii) originates from and/or terminates to a third party carrier, and (iii) is not switched access traffic shall be treated as Tandem Transit Traffic under Section 7.3.</p> <p>(b) Traffic that (i) is delivered by Cox to Verizon, (ii) originates from and/or terminates to a third party carrier, and (iii) is not switched access traffic shall be treated as Tandem Transit Traffic under Section 7.3.</p> <p>(c) Switched Exchange Access Service and InterLATA or IntraLATA Toll Traffic shall continue to be governed by the terms and conditions of the applicable Tariffs and, where applicable, by a Meet-Point Billing arrangement in accordance with subsection 6.3.</p> <p>(d) <i>No Reciprocal Compensation shall apply to Internet Traffic.</i></p> <p>(e) No Reciprocal Compensation shall apply to traffic that is not switched by the terminating Party, such as special access, private line, or any other nonswitched traffic.</p> <p>(f) Compensation for IntraLATA intrastate alternate-billed calls (e.g., collect, calling card, and third-party billed calls originated or authorized by the Parties' respective Customers in Virginia) shall be provided for</p>	

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		<p>the ISP Remand Order, in whole or in part. If these Sections become void as provided herein, then: (a) ISP-bound Traffic shall be deemed section 251(b)(5) traffic under this Agreement, retroactive to the effective date of this Agreement; (b) any compensation that would have been due under this Agreement since its effective date for the exchange of ISP-bound Traffic shall immediately be due and payable; and (c) the Parties shall immediately begin the exchange of ISP-bound Traffic that was subject to the ISP Remand Order on the same terms, conditions, and rates as they exchange section 251(b)(5) traffic.</p> <p><u>5.7.7 Reciprocal Compensation for Internet Traffic</u></p> <p><u>5.7.7.1 Scope</u> (a) This Subsection is intended to implement the FCC's Order on Remand and Report and Order in CC Docket Nos. 96-98 & 99-68, FCC 01-131, released April 27, 2001 ("ISP Order"), for any period in which the ISP</p>		<p>under a separate arrangement mutually agreed to by the Parties.</p> <p><u>(g) Any other traffic not specifically addressed in this subsection 5.7 shall be treated as provided elsewhere in this Agreement, or if not so provided, as required by the applicable Tariff of the Party transporting and/or terminating traffic.</u></p> <p><u>5.7.3 Nothing in this Agreement shall be construed to limit either Party's ability to designate the areas within which that Party's Customers may make calls which that Party rates as "local" in its Customer Tariffs.</u></p> <p><u>5.7.4 The determination of whether traffic is Reciprocal Compensation Traffic or Internet Traffic shall be performed in accordance with Paragraphs 8 and 79, and other applicable provisions, of the FCC Internet Order (including, but not limited to, in accordance with the rebuttable presumption established by the FCC Internet Order that traffic delivered to a carrier that exceeds a 3:1 ratio of terminating to originating traffic is Internet Traffic, and in accordance with the process established by the FCC Internet Order for rebutting such presumption before the Commission).</u></p> <p><u>5.7.4 The designation of traffic as Local or IntraLATA Toll for purposes of compensation shall be based on the horizontal and vertical coordinates associated with the originating and terminating NPA-NXXs of the call, regardless of the carrier(s) involved in carrying any segment of the call.</u></p> <p><u>5.7.5 Each Party reserves the right to audit all Traffic, up to a maximum of two audits per calendar year, to</u></p>	

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		<p>Order is effective during the Term of this Agreement. <u>The terms used in this section shall have the same meaning as those terms are used in the ISP Order. Additionally, as used in this Agreement, the term "Internet Traffic" shall have the same meaning as the term "ISP-bound traffic" is used in the ISP Order.</u></p> <p>(b) <u>The Parties agree to pay each other for terminating Internet Traffic and section 251(b)(5) traffic in accordance with the terms and conditions of this section. For purposes of this section, Internet Traffic and section 251(b)(5) traffic shall be identified in accordance with the provisions of subsection 5.7.7.3 below.</u></p> <p><i>[Note: the contract language listed here covers AT&T's restated 1.5 as well as 1.5a through 1.5e.]</i> Add to section 1:</p> <p><i>"ISP-bound Traffic" shall have the same meaning, when used in this Agreement, as is used in the FCC's Order on Remand and</i></p>		<p>ensure that rates are being applied appropriately; provided, however, that either Party shall have the right to conduct additional audit(s) if the preceding audit disclosed material errors or discrepancies. Each Party agrees to provide the necessary Traffic data in conjunction with any such audit in a timely manner.</p> <p>5.7.6 The Parties will engage in settlements of intraLATA intrastate alternate-billed calls (e.g., collect, calling card, and third-party billed calls) originated or authorized by their respective Customers in Virginia in accordance with the terms of a separate IntraLATA Telecommunications Services Settlement Agreement between the Parties, to be executed no later than 90days following the Effective Date of this Agreement.</p> <p>5.7.7 The Parties' rights and obligations with respect to any intercarrier compensation that may be due in connection with their exchange of Internet Traffic shall be governed by the terms of the FCC Internet Order, and other applicable FCC orders and FCC Regulations. Notwithstanding any other provision of this Agreement or any Tariff, a Party shall not be obligated to pay any intercarrier compensation for Internet Traffic that is in excess of the intercarrier compensation for Internet Traffic that such Party is required to pay under the FCC Internet Order and other applicable FCC orders and FCC Regulations.</p> <p>5.7.8 In addition to those audit rights provided in Section 5.7.5 above, Verizon may conduct audits of the traffic billed as Reciprocal Compensation Traffic to determine whether such traffic is Reciprocal Compensation Traffic and therefore subject to Reciprocal Compensation. If any such traffic is determined not to be Reciprocal Compensation Traffic,</p>	

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		<p><i>FCC's Order on Remand and Report and Order in CC Docket Nos. 96-98 & 99-68, FCC 01-131, released April 27, 2001 (ISP Remand Order).</i></p> <p>Add to section 5:</p> <p>1. <i>This section is intended to implement the ISP Remand Order for any period in which the ISP Remand Order is effective during the Term of this Agreement. The Parties agree to compensate each other for delivering ISP-bound traffic and section 251(b)(5) traffic in accordance with the terms and conditions of this section and section 5.7. For purposes of this section, ISP-bound traffic and section 251(b)(5) Local Traffic shall be identified in accordance with the provisions of section 2 below.</i></p> <p>2. <i>Compensation for ISP-bound Traffic</i></p> <p>2.1. <i>All Local Traffic that is terminated by one Party for the other Party pursuant to this Agreement within any calendar quarter in excess of an amount (measured by total minutes of use) that is three times the traffic that is terminated by the other</i></p>		<p>Verizon shall not pay Reciprocal Compensation for that portion which is determined not to be Reciprocal Compensation Traffic.</p> <p>7.1 Information Services Traffic</p> <p>The following provisions shall apply only to Cox-originated Information Services Traffic directed to an Information Services platform connected to Verizon's network, should Cox elect to deliver such traffic to Verizon. At such time as Cox connects Information Services platforms to its network, the Parties shall agree upon a comparable arrangement for Verizon-originated Information Services Traffic. The Information Services Traffic subject to the following provisions is circuit switched voice traffic, delivered to information service providers who offer recorded announcement information or open discussion information programs to the general public. Information Services Traffic does not include Internet Traffic.</p> <p>The following language was proposed to both AT&T and WorldCom. Accordingly, in an effort to preserve space, the language is both bold and italicized.</p> <p>1. Traffic Measurement and Billing over Interconnection Trunks</p> <p>1.1 For billing purposes, each Party shall pass Calling Party Number (CPN) information on at least ninety-five percent (95%) of calls carried over the</p>	

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		<p>Party pursuant to this Agreement shall be conclusively defined as ISP-bound Traffic. All other Local Traffic that is exchanged between the Parties shall be conclusively defined as any call that would be considered a local call ("Voice Traffic").</p> <p>2.2. All Voice Traffic and all ISP-bound Traffic that is exchanged pursuant to this Agreement shall be compensated as follows:</p> <p>2.2.1. All Voice Traffic that is exchanged pursuant to this Agreement shall be compensated pursuant to Exhibit A.</p> <p>2.2.2. All ISP-bound Traffic that is exchanged pursuant to this Agreement shall be compensated as follows:</p> <p>(a) Commencing on the effective date of this Agreement and continuing until December 13, 2001, \$.0015 per minute of use.</p> <p>(b) Commencing on December 14, 2001 and continuing until June 13, 2003, \$.0010 per minute of use.</p>		<p><i>Interconnection Trunks.</i></p> <p><i>1.1.1 As used in this Section 0, "Traffic Rate" means the applicable Reciprocal Compensation Traffic rate, Measured Internet Traffic rate, intrastate Switched Exchange Access Service rate, interstate Switched Exchange Access Service rate, or intrastate/interstate Tandem Transit Traffic rate, as provided in the Pricing Attachment, an applicable Tariff, or, for Measured Internet Traffic, the FCC Internet Order.</i></p> <p><i>1.1.2 If the originating Party passes CPN on ninety-five percent (95%) or more of its calls, the receiving Party shall bill the originating Party the Traffic Rate applicable to each relevant minute of traffic for which CPN is passed. For any remaining (up to 5%) calls without CPN information, the receiving Party shall bill the originating Party for such traffic at the Traffic Rate applicable to each relevant minute of traffic, in direct proportion to the minutes of use of calls passed with CPN information.</i></p> <p><i>1.1.3 If the originating Party passes CPN on less than ninety-five percent (95%) of its calls and the originating Party chooses to combine Reciprocal Compensation Traffic and Toll Traffic on the same trunk group, the receiving Party shall bill the higher of its interstate Switched Exchange Access Service rates or its intrastate Switched Exchange Access Services rates for all traffic that is passed without CPN, unless the Parties agree that other rates should apply to such traffic.</i></p> <p><i>1.2 At such time as a receiving Party has the capability, on an automated basis, to use such CPN to</i></p>	

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		<p><i>\$.0010 per minute of use.</i></p> <p>(c) Commencing on June 14, 2003, <i>\$.0007 per minute of use. To the extent that the FCC has not taken further action with respect to inter-carrier compensation for ISP-bound Traffic by June 14, 2004 and this Agreement remains in effect after June 14, 2004, the Parties agree that the rate of \$.0007 per minute of use for ISP-bound Traffic shall remain applicable for such period.</i></p> <p>(d) No charges shall apply to the carriage (including transport and termination) of Voice Traffic and ISP-bound Traffic by either Party for the other Party except as set forth above.</p> <p>2.2.3. The rates described in Section 2.2.2. above shall apply only if: (a) Verizon requests that ISP-bound Traffic be treated at the rates specified in the ISP Remand Order; (b) Verizon offers to exchange all traffic subject to the reciprocal compensation provisions of section 251(b)(5) with LECs, CLECs, and CMRS providers at these rates; and (c) Verizon has</p>		<p><i>classify traffic delivered over Interconnection Trunks by the other Party by Traffic Rate type (e.g., Reciprocal Compensation Traffic/Measured Internet Traffic, intrastate Switched Exchange Access Service, interstate Switched Exchange Access Service, or intrastate/interstate Tandem Transit Traffic), such receiving Party shall bill the originating Party the Traffic Rate applicable to each relevant minute of traffic for which CPN is passed. If the receiving Party lacks the capability, on an automated basis, to use CPN information on an automated basis to classify traffic delivered by the other Party by Traffic Rate type, the originating Party will supply Traffic Factor 1 and Traffic Factor 2. The Traffic Factors shall be supplied in writing by the originating Party within thirty (30) days of the Effective Date and shall be updated in writing by the originating Party quarterly. Measurement of billing minutes for purposes of determining terminating compensation shall be in conversation seconds. Measurement of billing minutes for originating toll free service access code (e.g., 800/888/877) calls shall be in accordance with applicable Tariffs. Determinations as to whether traffic is Reciprocal Compensation Traffic or Measured Internet Traffic shall be made in accordance with Section 0 below.</i></p> <p><i>1.3 Each Party reserves the right to audit all Traffic, up to a maximum of two audits per calendar year, to ensure that rates are being applied appropriately; provided, however, that either Party shall have the right to conduct additional audit(s) if the preceding audit disclosed material errors or discrepancies. Each Party agrees to provide the necessary Traffic data in conjunction with any such audit in a timely manner.</i></p>	

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		<p><i>paid all past due amounts owed to AT&T for the delivery of ISP-bound Traffic prior to June 14, 2001. If Verizon does not comply with these conditions, then the rate for the delivery of ISP-bound Traffic shall be the rate for the delivery of Voice Traffic.</i></p> <p>2.3. The ability of either Party to receive compensation for ISP-bound Traffic shall be limited as follows based on "growth caps" on compensation for ISP-bound Traffic consistent with the ISP Remand Order. The Parties shall first determine the total number of minutes of use of ISP-bound Traffic (as defined in Section 2.1 above) terminated by one Party for the other Party for the three-month period commencing January 1, 2001 and ending March 31, 2001. The Parties shall then multiply this number of minutes by 4.4, and the resulting product shall be the terminating Party's "2001 ISP-bound Annualized Traffic Cap." The total number of minutes of use of ISP-bound Traffic for which one Party may receive compensation from the other Party during the period July 1, 2001 through December</p>		<p><i>audit in a timely manner.</i></p> <p>1.4 Nothing in this Agreement shall be construed to limit either Party's ability to designate the areas within which that Party's Customers may make calls which that Party rates as "local" in its Customer Tariffs.</p> <p>2. Reciprocal Compensation Arrangements Pursuant to Section 251(b)(5) of the Act</p> <p>2.1 Reciprocal Compensation Traffic Interconnection Points. [NOTE: SECTION 2.1 TO BE REVISED CONSISTENT WITH VERIZON'S COMPROMISE VGRIP PROVISIONS CONTAINED IN THE PROPOSED AT&T INTERCONNECTION AGREEMENT THAT VERIZON ATTACHED TO THE ANSWER IT FILED WITH THE FCC.]</p> <p>2.1.1 Except as otherwise agreed by the Parties, the Interconnection Points ("IPs") from which ***CLEC Acronym TXT*** will provide transport and termination of Reciprocal Compensation Traffic to its Customers (****CLEC Acronym TXT***-IPs") shall be as follows:</p> <p>2.1.1.1 For each LATA in which ***CLEC Acronym TXT*** requests to interconnect with Verizon, except as otherwise agreed by the Parties, ***CLEC Acronym TXT*** shall establish a ***CLEC Acronym TXT*** IP in each Verizon Rate Center Area where ***CLEC Acronym TXT*** chooses to assign telephone numbers to its Customers. ***CLEC Acronym TXT*** shall establish such</p>	

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		<p>31. 2001 shall equal 50% of that Party's 2001 ISP-bound Annualized Traffic Cap. The total number of minutes of use of ISP-bound Traffic for which one Party may receive compensation from the other Party during the period January 1, 2002 through December 31, 2002 or for any calendar year thereafter shall equal 1.1 times that Party's 2001 ISP-bound Annualized Traffic Cap. Neither Party may refuse to pay compensation for ISP-bound Traffic to the other Party based on the application of the foregoing "growth caps" until the aggregate amount of ISP-bound Traffic billed by the other Party for a specific calendar year exceeds the applicable maximum number of minutes of use of ISP-bound Traffic that may be compensated pursuant to this Section 2.3 for the entire year (beginning in calendar year 2002) or applicable portion thereof (for calendar year 2001).</p> <p>2.4. The Party's shall bill each other for Voice Traffic and ISP-bound Traffic each month on the following basis:</p>		<p>***CLEC Acronym TXT***-IP consistent with the methods of interconnection and interconnection trunking architectures that it will use pursuant to Section __ or Section __ of this Attachment.</p> <p>2.1.1.2 At any time that ***CLEC Acronym TXT*** establishes a Collocation site at a Verizon End Office Wire Center in a LATA in which ***CLEC Acronym TXT*** is interconnected or requesting interconnection with Verizon, either Party may request in writing that such ***CLEC Acronym TXT*** Collocation site be established as the ***CLEC Acronym TXT***-IP for traffic originated by Verizon Customers served by that End Office. Upon such request, the Parties shall negotiate in good faith mutually acceptable arrangements for the transition to such ***CLEC Acronym TXT***-IP. If the Parties have not reached agreement on such arrangements within thirty (30) days, (a) either Party may pursue available dispute resolution mechanisms; and, (b) ***CLEC Acronym TXT*** shall bill and Verizon shall pay the lesser of the negotiated intercarrier compensation rate or the End Office Reciprocal Compensation rate for the relevant traffic less Verizon's transport rate, tandem switching rate (to the extent traffic is tandem switched), and other costs (to the extent that Verizon purchases such transport from ***CLEC Acronym TXT*** or a third party), from the originating Verizon End Office to the receiving ***CLEC Acronym TXT***-IP.</p> <p>2.1.1.3 In any LATA where the Parties are already interconnected prior to the effective date of this Agreement, ***CLEC Acronym TXT*** may maintain existing CLEC-IPs, except that Verizon may request in writing to transition such ***CLEC</p>	

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		<p>2.4.1. For the period commencing on the effective date of this Agreement and continuing through September 30, 2001, each Party shall bill the other Party for Voice Traffic and ISP-bound Traffic based on the relative percentage of minutes of use of total combined Voice Traffic and ISP-bound Traffic represented by each type of traffic during the two-month period ending on May 31, 2001. For example, if Verizon terminated 100 minutes for AT&T during the two-month period ending on May 31 and AT&T terminated 500 minutes for Verizon during that period, the proportion of traffic terminated by AT&T would be 60% Voice Traffic $[(3 \times 100) / 500]$ and 40% ISP-bound Traffic $[(500 - (3 \times 100)) / 500]$, and for the period through September 30, 2001, AT&T would bill 60% of its total minutes of use billed for each month (or portion thereof) at the rate applicable to Voice Traffic and 40% of its total minutes of use at the rate applicable to ISP-bound Traffic.</p> <p>2.4.2. For each calendar quarter commencing with the</p>		<p>Acronym TXT***-IPs to the ***CLEC Acronym TXT***-IPs described in subsections 0 and 0, above. Upon such request, the Parties shall negotiate mutually satisfactory arrangements for the transition to CLEC-IPs that conform to subsections 0 and 0 above. If the Parties have not reached agreement on such arrangements within thirty (30) days, (a) either Party may pursue available dispute resolution mechanisms; and, (b) ***CLEC Acronym TXT*** shall bill and Verizon shall pay only the lesser of the negotiated intercarrier compensation rate or the End Office reciprocal compensation rate for relevant traffic, less Verizon's transport rate, tandem switching rate (to the extent traffic is tandem switched), and other costs (to the extent that Verizon purchases such transport from ***CLEC Acronym TXT*** or a third party), from Verizon's originating End Office to the ***CLEC Acronym TXT*** IP.</p> <p>2.1.2 Except as otherwise agreed by the Parties, the Interconnection Points ("IPs") from which Verizon will provide transport and termination of Reciprocal Compensation Traffic to its Customers ("Verizon-IPs") shall be as follows:</p> <p>2.1.2.1 For Reciprocal Compensation Traffic delivered by ***CLEC Acronym TXT*** to the Verizon Tandem subtended by the terminating End Office serving the Verizon Customer, the Verizon-IP will be the Verizon Tandem switch.</p> <p>2.1.2.2 For Reciprocal Compensation Traffic delivered by ***CLEC Acronym TXT*** to the Verizon terminating End Office serving the Verizon Customer, the Verizon-IP will be Verizon End Office switch.</p>	

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		<p>fourth quarter of 2001, each Party shall bill the other Party for Voice Traffic and ISP-bound Traffic based on the relative percentage of minutes of use of total combined Voice Traffic and ISP-bound Traffic represented by each type of traffic during the first two months of the immediately preceding calendar quarter. For example, if Verizon terminated 100 minutes for AT&T during the period July 1, 2001 through August 31, 2001, and AT&T terminated 500 minutes for Verizon during that period, the proportion of traffic terminated by AT&T would be 60% Voice Traffic $[(3 \times 100) / 500]$ and 40% ISP-bound Traffic $[(500 - (3 \times 100)) / 500]$, and for the period October 1, 2001 through December 31, 2001, AT&T would bill 60% of its total minutes of use billed for each month (or portion thereof) at the rate applicable to Voice Traffic and 40% of its total minutes of use at the rate applicable to ISP-bound Traffic.</p> <p>2.4.3. Verizon will calculate the factors to be used for the relative percentage of minutes of use of total combined Voice Traffic and ISP-bound Traffic represented</p>		<p>switch.</p> <p>2.1.3 Should either Party offer additional IPs to any Telecommunications Carrier that is not a Party to this Agreement, the other Party may elect to deliver traffic to such IPs for the NXXs or functionalities served by those IPs. To the extent that any such ***CLEC Acronym TXT***-IP is not located at a Collocation site at a Verizon Tandem Wire Center or Verizon End Office Wire Center, then ***CLEC Acronym TXT*** shall permit Verizon to establish physical Interconnection through collocation or other operationally comparable arrangements acceptable to Verizon at the ***CLEC Acronym TXT***-IP.</p> <p>2.1.4 Each Party is responsible for delivering its Reciprocal Compensation Traffic that is to be terminated by the other Party to the other Party's relevant IP.</p> <p>2.2 <u>Reciprocal Compensation.</u></p> <p>The Parties shall compensate each other for the transport and termination of Reciprocal Compensation Traffic delivered to the terminating Party in accordance with Section 251(b)(5) of the Act at the rates stated in the [Pricing Attachment]. These rates are to be applied at the ***CLEC Acronym TXT***-IP for traffic delivered by Verizon for termination by ***CLEC Acronym TXT***, and at the Verizon-IP for traffic delivered by ***CLEC Acronym TXT*** for termination by Verizon. Except as expressly specified in this Agreement, no additional charges shall apply for the termination from the IP to the Customer of Reciprocal Compensation Traffic delivered to the Verizon-IP by</p>	

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		<p>by each type of traffic during periods referred to in Sections 2.4.1 and 2.4.2 above, and Verizon will notify AT&T of such factors in writing by no later than the first day of the period during which such factors will be used. Such factors will govern all billing during the applicable period, and the Parties will not true up any billing for prior periods based on actual balance of traffic during such period. However, AT&T may audit Verizon's factors as provided in Section 2.5 below, and the Parties will true up billing for any period to the extent the factors applicable to such period were incorrectly calculated.</p> <p>2.4.4. If a Party is terminating both Voice Traffic and ISP-bound Traffic for the other Party, that Party may bill all such traffic at a blended rate based on the weighted average of the rates applicable to Voice Traffic and the rates applicable to ISP-bound Traffic, using the factors specified in Section 2.4.3 above. In the event that AT&T is delivering both Voice Traffic and ISP-bound Traffic to Verizon, and Verizon does not provide factors to AT&T,</p>		<p>***CLEC Acronym TXT*** or the ***CLEC Acronym TXT***-IP by Verizon. When such Reciprocal Compensation Traffic is delivered over the same trunks as Toll Traffic, any port or transport or other applicable access charges related to the delivery of Toll Traffic from the IP to an end user shall be prorated to be applied only to the Toll Traffic. The designation of traffic as Reciprocal Compensation Traffic for purposes of Reciprocal Compensation shall be based on the actual originating and terminating points of the complete end-to-end communication.</p> <p><u>2.3 Traffic Not Subject to Reciprocal Compensation.</u></p> <p>2.3.1 Reciprocal Compensation shall not apply to interstate or intrastate Exchange Access, Information Access, or exchange services for Exchange Access or Information Access.</p> <p>2.3.2 Reciprocal Compensation shall not apply to Internet Traffic.</p> <p>2.3.2.1 The determination of whether traffic is Reciprocal Compensation Traffic or Internet Traffic shall be performed in accordance with Paragraphs 8 and 79, and other applicable provisions, of the FCC Internet Order (including, but not limited to, in accordance with the rebuttable presumption established by the FCC Internet Order that traffic delivered to a carrier that exceeds a 3:1 ratio of terminating to originating traffic is Internet Traffic, and in accordance with the process established by the FCC Internet Order for rebutting such presumption before the Commission).</p>	

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		<p>including minute counts used to determine what portion of AT&T's traffic constitutes "Voice Traffic" and what traffic constitutes "ISP-bound Traffic," by the first day of the period during which such factors will be used, AT&T shall bill Verizon for all traffic during such period at the rate applicable to Voice Traffic.</p> <p>2.4.5. AT&T shall have the right to audit factors provided by Verizon pursuant to Section 2.4.3 above and Verizon bills relating to settlements pursuant to this Section, as specified in Section 28.10 (Audits), including the right to audit the number of minutes of use terminated by Verizon for AT&T during any period to the extent such information may affect the volume of traffic that is considered to be Voice Traffic or ISP-bound Traffic under this Agreement. Each Party shall bear its own expenses associated with such audits (provided, however, that AT&T may seek reimbursement from Verizon in the event that an audit finds that an adjustment should be made in the charges that AT&T is entitled to collect from Verizon</p>		<p>before the Commission).</p> <p>2.3.3 Reciprocal Compensation shall not apply to Toll Traffic, including, but not limited to, calls originated on a 1+ presubscription basis, or on a casual dialed (10XXX/101XXX) basis.</p> <p>2.3.4 Reciprocal Compensation shall not apply to Optional Extended Local Calling Area Traffic.</p> <p>2.3.5 Reciprocal Compensation shall not apply to special access, private line, or any other traffic that is not switched by the terminating Party.</p> <p>2.3.6 Reciprocal Compensation shall not apply to Tandem Transit Traffic.</p> <p>2.3.7 Reciprocal Compensation shall not apply to Voice Information Service Traffic (as defined in Section [?]).</p> <p>2.4 The Reciprocal Compensation charges (including, but not limited to, the Reciprocal Compensation per minute of use charges) billed by ***CLEC Acronym TXT*** to Verizon shall not exceed the Reciprocal Compensation charges (including, but not limited to, Reciprocal Compensation per minute of use charges) billed by Verizon to ***CLEC Acronym TXT***.</p> <p>3. Other Types of Traffic</p> <p>3.1 Notwithstanding any other provision of this Agreement or any Tariff: (a) the Parties' rights and obligations with respect to any intercarrier compensation that may be due in connection with</p>	

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		<p>for reciprocal compensation by an amount that is greater than two percent (2%) of the aggregate charges for reciprocal compensation that had been billed in the audited period).</p> <p>2.5. The Parties have entered into this Agreement providing for differential compensation of Voice Traffic and ISP-bound Traffic based on the ISP Remand Order, which is on appeal to the United States Circuit Court of Appeals for the District of Columbia Circuit. Without waiving any of their rights to assert and pursue their positions on issues related to compensation for Voice Traffic and ISP-bound Traffic, each Party agrees that until the ISP Remand Order is stayed or reversed or modified on appeal, the Parties shall exchange and compensate each other for Voice Traffic and ISP-bound Traffic on the terms and conditions provided herein. At such time as the ISP Remand Order is stayed, reversed or modified, then (1) ISP-bound traffic shall be deemed Local Traffic retroactive to the effective date of this Agreement; (2) any compensation that would have</p>		<p>their exchange of Internet Traffic shall be governed by the terms of the FCC Internet Order and other applicable FCC orders and FCC Regulations; and, (b) a Party shall not be obligated to pay any intercarrier compensation for Internet Traffic that is in excess of the intercarrier compensation for Internet Traffic that such Party is required to pay under the FCC Internet Order and other applicable FCC orders and FCC Regulations.</p> <p>3.2 Subject to Section 0 above, interstate and intrastate Exchange Access, Information Access, exchange services for Exchange Access or Information Access, and Toll Traffic, shall be governed by the applicable provisions of this Agreement and applicable Tariffs.</p> <p>3.3 For any traffic originating with a third party carrier and delivered by ***CLEC Acronym TXT*** to Verizon, ***CLEC Acronym TXT*** shall pay Verizon the same amount that such third party carrier would have been obligated to pay Verizon for termination of that traffic at the location the traffic is delivered to Verizon by ***CLEC Acronym TXT***.</p> <p>3.4 Any traffic not specifically addressed in this Agreement shall be treated as required by the applicable Tariff of the Party transporting and/or terminating the traffic.</p> <p>3.5 <u>Interconnection Points.</u></p> <p>3.5.1 The IP of a Party ("Receiving Party") for Measured Internet Traffic delivered to the Receiving Party by the other Party shall be the same as the IP of the Receiving Party for Reciprocal Compensation</p>	

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		<p><i>been due under this Agreement since its effective date for the exchange of ISP-bound traffic shall immediately be due and payable; and (3) the Parties shall immediately begin the exchange of ISP-bound traffic that was subject to the ISP Remand Order on the same terms, conditions, and rates as they exchange section 251(b)(5) traffic.</i></p>		<p><i>Traffic under Section 0 above.</i></p> <p>3.5.2 Except as otherwise set forth in the applicable Tariff of a Party ("Receiving Party") that receives Toll Traffic from the other Party, the IP of the Receiving Party for Toll Traffic delivered to the Receiving Party by the other Party shall be the same as the IP of the Receiving Party for Reciprocal Compensation Traffic under Section 0 above.</p> <p>3.5.3 The IP for traffic exchanged between the Parties that is not Reciprocal Compensation Traffic, Measured Internet Traffic or Toll Traffic, shall be as specified in the applicable provisions of this Agreement or the applicable Tariff of the receiving Party, or in the absence of applicable provisions in this Agreement or a Tariff of the receiving Party, as mutually agreed by the Parties.</p> <p><u>3.6 Extended Local Calling Scope Arrangement.</u></p> <p><i>An arrangement that provides a Customer a local calling scope (Extended Area Service, "EAS"), outside of the Customer's basic exchange serving area. Extended Local Calling Scope Arrangements may be either optional or non-optional. "Optional Extended Local Calling Scope Arrangement Traffic" is traffic that under an optional Extended Local Calling Scope Arrangement chosen by the Customer terminates outside of the Customer's basic exchange serving area.</i></p> <p><u>3.7 FCC Internet Order.</u></p> <p><i>Order on Remand and Report and Order, In the</i></p>	

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				<p><i>Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, Intercarrier Compensation for ISP Bound Traffic, FCC 01-131, CC Docket Nos. 96-98 and 99-68, adopted April 18, 2001.</i></p> <p><u>3.8 FCC Regulations.</u></p> <p><i>The unstayed, effective regulations promulgated by the FCC, as amended from time to time.</i></p> <p><u>3.9 Internet Traffic.</u></p> <p><i>Any traffic that is transmitted to or returned from the Internet at any point during the duration of the transmission.</i></p> <p><u>3.10 IP (Interconnection Point).</u></p> <p><i>For Reciprocal Compensation Traffic, the point at which a Party who receives Reciprocal Compensation Traffic from the other Party assesses Reciprocal Compensation charges for the further transport and termination of that Reciprocal Compensation Traffic.</i></p> <p><u>3.11 Measured Internet Traffic.</u></p> <p><i>Dial-up, switched Internet Traffic originated by a Customer of one Party on that Party's network at a point in a Verizon local calling area, and delivered to a Customer or an Internet Service Provider served by the other Party, on that other Party's network at a point in the same Verizon local calling area. Verizon local calling areas shall be as defined in Verizon's applicable tariffs. For the purposes of this</i></p>	

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				<p><i>definition, a Verizon local calling area includes a Verizon non-optional Extended Local Calling Scope Arrangement, but does not include a Verizon optional Extended Local Calling Scope Arrangement. Calls originated on a 1+ presubscription basis, or on a casual dialed (10XXX/101XXXX) basis, are not considered Measured Internet Traffic.</i></p> <p><u>3.12 Reciprocal Compensation.</u></p> <p><i>The arrangement for recovering, in accordance with Section 251(b)(5) of the Act, the FCC Internet Order, and other applicable FCC orders and FCC Regulations, costs incurred for the transport and termination of Reciprocal Compensation Traffic originating on one Party's network and terminating on the other Party's network (as set forth in Section [?]).</i></p> <p><u>3.13 Reciprocal Compensation Traffic.</u></p> <p><i>Telecommunications traffic originated by a Customer of one Party on that Party's network and terminated to a Customer of the other Party on that other Party's network, except for Telecommunications traffic that is interstate or intrastate Exchange Access, Information Access, or exchange services for Exchange Access or Information Access. The determination of whether Telecommunications traffic is Exchange Access or Information Access shall be based upon Verizon's local calling areas as defined in Verizon's applicable tariffs. Reciprocal Compensation Traffic does not include: (1) any Internet Traffic; (2) traffic that does not originate and terminate within the same</i></p>	

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				<p><i>Verizon local calling area as defined in Verizon's applicable tariffs; (3) Toll Traffic, including, but not limited to, calls originated on a 1+ presubscription basis, or on a casual dialed (10XXX/101XXX) basis; (4) Optional Extended Local Calling Arrangement Traffic; (5) special access, private line, Frame Relay, ATM, or any other traffic that is not switched by the terminating Party; (6) Tandem Transit Traffic; or, (7) Voice Information Service Traffic (as defined in Section 5 of the Additional Services Attachment). For the purposes of this definition, a Verizon local calling area includes a Verizon non-optional Extended Local Calling Scope Arrangement, but does not include a Verizon optional Extended Local Calling Scope Arrangement.</i></p> <p><u>3.14 Toll Traffic.</u></p> <p><i>Traffic that is originated by a Customer of one Party on that Party's network and terminates to a Customer of the other Party on that other Party's network and is not Reciprocal Compensation Traffic, Measured Internet Traffic, or Ancillary Traffic. Toll Traffic may be either "IntraLATA Toll Traffic" or "InterLATA Toll Traffic", depending on whether the originating and terminating points are within the same LATA.</i></p> <p><u>3.15 Traffic Factor 1.</u></p> <p><i>For traffic exchange via Interconnection Trunks, a percentage calculated by dividing the number of minutes of interstate traffic (excluding Measured Internet Traffic) by the total number of minutes of interstate and intrastate traffic. (Interstate Traffic</i></p>	

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				<p><i>Total Minutes of Use {excluding Measured Internet Traffic Total Minutes of Use} ÷ {Interstate Traffic Total Minutes of Use + Intrastate Traffic Total Minutes of Use} x 100). Until the form of a Party's bills is updated to use the term "Traffic Factor 1," the term "Traffic Factor 1" may be referred to on the Party's bills and in billing related communications as "Percent Interstate Usage" or "PIU."</i></p> <p><i>3.16 Traffic Factor 2.</i></p> <p><i>For traffic exchanged via Interconnection Trunks, a percentage calculated by dividing the combined total number of minutes of Reciprocal Compensation Traffic and Measured Internet Traffic by the total number of minutes of intrastate traffic. ({Reciprocal Compensation Traffic Total Minutes of Use + Measured Internet Traffic Total Minutes of Use} ÷ Intrastate Traffic Total Minutes of Use) x 100). Until the form of a Party's bills is updated to use the term "Traffic Factor 2," the term "Traffic Factor 2" may be referred to on the Party's bills and in billing related communications as "Percent Local Usage" or "PLU."</i></p>	
I-5-a	<p><u>(a) What provisions should the parties make for changes in the requirements of the ISP Order through appeal, reconsideration or other legal or regulatory action?</u></p> <p><i>How should Verizon and AT&T calculate whether traffic exceeds a 3:1 ratio of</i></p>	<p><u>1.5.a</u></p> <p><u>(c) Upon the occurrence of any one of the following conditions: (1) the ISP Order is not allowed to go into effect or is stayed after its effective date; (2) the ISP Order is revised or reversed by a court of competent jurisdiction; or (3) the ISP Order is affected by any legislative or other legal</u></p>	<p>• The Agreement must include specific provisions regarding the parties' rights in the event the ISP Order is stayed, reversed or otherwise affected by legislative, regulatory or legal action.</p>	<p>5.7.4 The determination of whether traffic is Reciprocal Compensation Traffic or Internet Traffic shall be performed in accordance with Paragraphs 8 and 79, and other applicable provisions, of the FCC Internet Order (including, but not limited to, in accordance with the rebuttable presumption established by the FCC Internet Order that traffic delivered to a carrier that exceeds a 3:1 ratio of terminating to originating traffic is Internet Traffic, and in accordance with the process established by the FCC Internet Order</p>	<p>With regard to AT&T's currently proposed Issues I-5-a, Verizon agrees that this issue ultimately is appropriate for arbitration should the Parties fail to resolve it in the context of mediation.</p>

KEY WHERE DISTINCTION AMONG PETITIONERS IS NECESSARY: **WorldCom** (bold); Cox (underline text); *AT&T* (italic).

Issue No.	Statement of Issue	Petitioners' Proposed Contract Language	Petitioners' Rationale	Verizon's Proposed Contract Language	Verizon Rationale
	<i>terminating to originating traffic?</i>	<p>action; the Parties reserve all of their rights and remedies, including those to amend, alter, or revise this Agreement.</p> <p><i>See AT&T contract language for I-5.</i></p>	<i>See AT&T rationale for I-5.</i>	<p>for rebutting such presumption before the Commission).</p> <p><u>2.3 Traffic Not Subject to Reciprocal Compensation.</u></p> <p><u>2.3.1 Reciprocal Compensation shall not apply to interstate or intrastate Exchange Access, Information Access, or exchange services for Exchange Access or Information Access.</u></p> <p><u>2.3.2 Reciprocal Compensation shall not apply to Internet Traffic.</u></p> <p><u>2.3.2.1 The determination of whether traffic is Reciprocal Compensation Traffic or Internet Traffic shall be performed in accordance with Paragraphs 8 and 79, and other applicable provisions, of the FCC Internet Order (including, but not limited to, in accordance with the rebuttable presumption established by the FCC Internet Order that traffic delivered to a carrier that exceeds a 3:1 ratio of terminating to originating traffic is Internet Traffic, and in accordance with the process established by the FCC Internet Order for rebutting such presumption before the Commission).</u></p>	
I-5-b	(b) Should the specific rates of compensation for ISP-bound traffic paid by the parties during the term of the renewal agreement be zero, a rate equal to the cap or a rate somewhere in between zero and the cap. Also, should there be a single rate or two	<p>5.7.7.2 Rates</p> <p>(a) For the Term of this Agreement, Reciprocal Compensation rates shown in Exhibit 1 will apply to the exchange of all 251(b)5 traffic.</p> <p>(b) For the period beginning on</p>	<p>• Specific terms and conditions regarding the compensation rates applicable to Internet Traffic must not be excluded from the Agreement.</p>	<p>5.6 Measurement and Billing</p> <p>5.6.1 For billing purposes, each Party shall pass Calling Party Number ("CPN") information on at least ninety-five percent (95%) of calls carried over the Traffic Exchange Trunks.</p> <p>5.6.1.1 If the originating Party passes CPN on ninety-five percent (95%) or more of its calls, the receiving</p>	With regard to AT&T's currently proposed Issues I-5-b, Verizon agrees that this issue ultimately is appropriate for arbitration should the Parties fail to resolve it in the context of mediation.

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Issue No.	Statement of Issue	Petitioners' Proposed Contract Language	Petitioners' Rationale	Verizon's Proposed Contract Language	Verizon Rationale
	<p>there be a single rate or two separate rates for tandem and end office terminations?</p> <p><i>How should Verizon and AT&T implement the rate caps for the ISP-bound traffic?</i></p>	<p>June 14, 2001 and ending on December 13, 2001, the terminating Party will bill the originating Party a rate of \$.0015 per minute of use (MOU) for Internet Traffic delivered to the terminating Party's Tandem and/or End Office.</p> <p>(c) To the extent that this Agreement remains in effect, beginning on December 14, 2001, and ending on June 13, 2003, the terminating Party will bill the originating Party a rate of \$.0010 per MOU for Internet Traffic delivered to the terminating Party's Tandem and/or End Office.</p> <p>(d) To the extent that this Agreement remains in effect, beginning on June 14, 2003, and ending on June 13, 2004, the terminating Party will bill the originating Party a rate of \$.0007 per MOU for Internet Traffic delivered to the terminating Party's Tandem and/or End Office.</p> <p>(e) The ISP Order specifies that, in the event the FCC does not take further action within the final period during which the \$.0007 per MOU rate cap will be</p>	<p>• The Agreement must contain the specific rates applicable to compensation for ISP-bound traffic (and their timeframes).</p> <p><i>See AT&T rationale for 1-5.</i></p>	<p>five percent (95%) or more of its calls, the receiving Party shall bill the originating Party the Reciprocal Compensation Traffic call completion rate, Measured Internet Traffic rate, Intrastate Exchange Access rates, intrastate/interstate Tandem Transit Traffic rates, or interstate Exchange Access rates applicable to each minute of traffic, as provided in Exhibit A, the FCC Internet Order and applicable Tariffs, for which CPN is passed. For any remaining (up to 5%) calls without CPN information, the receiving Party shall bill the originating Party for such traffic as Reciprocal Compensation Traffic call completion rate, Measured Internet Traffic rate, intrastate Exchange Access rates, intrastate/interstate Tandem or Tandem Transit Traffic rates, or interstate Exchange Access rates applicable to each minute of traffic, as provided in Exhibit A, the FCC Internet Order and applicable Tariffs, in direct proportion to the minutes of use of calls passed with CPN information.</p> <p>5.6.1.2 If the originating Party passes CPN on less than ninety-five percent (95%) of its calls and the originating Party chooses to combine Reciprocal Compensation and Toll Traffic on the same trunk group, the terminating Party shall bill its interstate Switched Exchange Access Service rates for all traffic passed without CPN unless the Parties agree that such other rates should apply to such traffic.</p> <p>5.6.2 Either Party may classify traffic as either Reciprocal Compensation Traffic/Measured Internet Traffic or Toll Traffic for billing purposes by using Traffic Factor 1 and Traffic Factor 2, in lieu of CPN information. The Traffic Factor 1 and Traffic Factor 2 applicable upon the Effective Date are specified in Schedule 5.6. Such Traffic Factors may be updated by</p>	

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Issue No.	Statement of Issue	Petitioners' Proposed Contract Language	Petitioners' Rationale	Verizon's Proposed Contract Language	Verizon Rationale
		<p>applicable to Internet Traffic, that period will be extended until the FCC takes such further action. The Parties agree that the \$.0007 per MOU rate for tandem-routed and/or End Office-routed traffic will continue in effect for Internet Traffic beyond June 13, 2004, if the FCC fails to take such further action by that date, to the extent this Agreement remains in effect during such period.</p> <p>-----</p> <p>Add footnotes to Exhibit A, A(1) and B(1): "See Section 5.7.7 regarding compensation for Internet Traffic."</p> <p>See AT&T contract language for I-5.</p>		<p>the originating Party quarterly by written notification. The determination of whether traffic is Reciprocal Compensation Traffic or Measured Internet Traffic shall be in accordance with Section 5.7.5, below.</p> <p>5.6.3 Measurement of billing minutes for purposes of determining terminating compensation shall be in conversation seconds. The total conversation seconds over each individual Traffic Exchange trunk group will be totaled for the entire monthly billing cycle and then rounded to the next whole minute. Measurement of billing minutes for (unqueried) originating toll free service access code (e.g., 800/888/877/866) calls shall be in accordance with applicable Tariffs.</p> <p>Reciprocal Compensation Traffic Termination Rates</p> <p>A. Charges by Verizon</p> <p>(a) Traffic delivered to or Verizon Access Tandem: \$.001590 per MOU.</p> <p>(b) Traffic delivered directly to terminating Verizon End Office: \$.000927 per MOU.</p> <p>B. Charges by Cox</p> <p>1. Single-tiered interconnection structure:</p> <p>Cox's rates for the termination of Verizon's Reciprocal Compensation Traffic under the single-tiered interconnection structure shall be recalculated once each year on each anniversary of the Effective Date (the "Rate Determination Date"). The methodology for recalculating the rates is as follows:</p> <p><i>Access Tandem Minutes</i> = Total minutes of use of Reciprocal Compensation Traffic delivered by Cox to</p>	

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Issue No.	Statement of Issue	Petitioners' Proposed Contract Language	Petitioners' Rationale	Verizon's Proposed Contract Language	Verizon Rationale
				<p>the Verizon Access Tandem for most recent billed quarter.</p> <p><i>End Office Minutes</i> = Total minutes of use Reciprocal Compensation Traffic delivered by Cox directly to the terminating Verizon End Office for most recent billed quarter.</p> <p><i>Total Minutes</i> = Total minutes of use of Reciprocal Compensation Traffic delivered by Cox to Verizon for most recent billed quarter.</p> <p>Cox Charge at the Cox-IP = (<i>Access Tandem Minutes</i> x \$.001590) + (<i>End Office Minutes</i> x \$.000927)</p> <p><i>Total Minutes</i></p> <p>For the first year after the Effective Date, the Cox charge shall be calculated based on the traffic data of the quarter immediately preceding such Effective Date, or if no such traffic exists, on the proportion of local call termination trunks to Verizon End Offices and to Verizon Access Tandems.</p> <p>2. <u>Multiple-tiered interconnection structure (if offered by Cox to any carrier)</u></p> <p>(a) Reciprocal Compensation Traffic delivered to Cox Access Tandem: \$.001590/ MOU</p> <p>(b) Reciprocal Compensation Traffic delivered to terminating Cox End Office/node: \$.000927/ MOU</p> <p>C. <u>Miscellaneous Notes</u></p> <p>1. <u>The Cox termination rate under the single-</u></p>	

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				<p>tiered interconnection structure set forth above is intended to be a Reciprocal Compensation Traffic termination rate for Interconnection to the Cox-IP within each LATA that is reciprocal and equal to the actual rates that will be charged by Verizon to Cox under the two-tiered Reciprocal Compensation Traffic termination rate structure described above that will apply after the first anniversary of the Effective Date. The single Cox termination rate is also intended to provide financial incentives to Cox to deliver traffic directly to Verizon's terminating End Offices once Cox's traffic volumes reach an appropriate threshold.</p>	
I-5-c	<p>(c) What mechanism should be used by the parties in calculating the amount of traffic in excess of the 3:1 ratio; what data should be exchanged by the parties for use in making this calculation; what time periods should these data cover, and when should any such data exchange take place?</p> <p><i>How should Verizon and AT&T calculate the growth cap on the total number of compensable ISP-bound traffic minutes?</i></p>	<p>5.7.7.3 Ratio</p> <p>(a) The FCC has adopted a rebuttable presumption that traffic delivered to a carrier that exceeds a 3:1 ratio of terminating to originating traffic is Internet Traffic. Therefore, the combined Internet Traffic and section 251(b)(5) traffic shall be separated by applying a ratio factor of 3:1 until such time as either Party successfully rebuts this presumption in a proceeding conducted by a regulatory authority or court of competent jurisdiction. In the event that such a proceeding is instituted, the Parties may exercise their</p>	<p>• The Agreement must ultimately contain the specific mechanism used by the parties for calculating the 3:1 ratio to identify ISP-bound traffic, including the types of data exchanged and the timeframes for such exchange. To the extent the specific mechanisms and timeframes are not yet developed by the parties, principles to guide their development must be included in the Agreement.</p> <p><i>See AT&T rationale for 1.5.</i></p>	<p>5.6 Measurement and Billing</p> <p>5.6.1 For billing purposes, each Party shall pass Calling Party Number ("CPN") information on at least ninety-five percent (95%) of calls carried over the Traffic Exchange Trunks.</p> <p>5.6.1.1 If the originating Party passes CPN on ninety-five percent (95%) or more of its calls, the receiving Party shall bill the originating Party the Reciprocal Compensation Traffic call completion rate, Measured Internet Traffic rate, Intrastate Exchange Access rates, intrastate/interstate Tandem Transit Traffic rates, or interstate Exchange Access rates applicable to each minute of traffic, as provided in Exhibit A, the FCC Internet Order and applicable Tariffs, for which CPN is passed. For any remaining (up to 5%) calls without CPN information, the receiving Party shall bill the originating Party for such traffic as Reciprocal Compensation Traffic call completion rate, Measured</p>	<p>With regard to AT&T's currently proposed Issues I-5-c, Verizon agrees that this issue ultimately is appropriate for arbitration should the Parties fail to resolve it in the context of mediation.</p>

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		<p>discovery rights pursuant to the Commission's procedures. All such traffic exchanged between the Parties up to a 3:1 ratio of terminating to originating traffic shall be deemed to be section 251(b)(5) traffic subject to the Reciprocal Compensation rates shown in Exhibit 1. Except as may be modified by subsection 5.7.7.4 below, the remainder of such traffic, i.e., all minutes exceeding the 3:1 ratio of terminating to originating traffic, shall be deemed to be Internet Traffic subject to the rates established in subsection 5.7.7.2 above. In the event that a regulatory authority or court of competent jurisdiction enters a final order establishing a different ratio factor for the separation of Internet Traffic and section 251(b)(5) traffic that is applicable to this Agreement, the Parties agree that such different ratio factor shall be substituted for the 3:1 ratio factor for purposes of implementing this section. Unless such final order specifies a different effective date for the different ratio factor, such substitution should become effective on the effective date of such final order.</p>		<p>Compensation Traffic call completion rate, Measured Internet Traffic rate, intrastate Exchange Access rates, intrastate/interstate Tandem or Tandem Transit Traffic rates, or interstate Exchange Access rates applicable to each minute of traffic, as provided in Exhibit A, the FCC Internet Order and applicable Tariffs, in direct proportion to the minutes of use of calls passed with CPN information.</p> <p>5.6.1.2 If the originating Party passes CPN on less than ninety-five percent (95%) of its calls and the originating Party chooses to combine Reciprocal Compensation and Toll Traffic on the same trunk group, the terminating Party shall bill its interstate Switched Exchange Access Service rates for all traffic passed without CPN unless the Parties agree that such other rates should apply to such traffic.</p> <p>5.6.2 Either Party may classify traffic as either Reciprocal Compensation Traffic/Measured Internet Traffic or Toll Traffic for billing purposes by using Traffic Factor 1 and Traffic Factor 2, in lieu of CPN information. The Traffic Factor 1 and Traffic Factor 2 applicable upon the Effective Date are specified in Schedule 5.6. Such Traffic Factors may be updated by the originating Party quarterly by written notification. The determination of whether traffic is Reciprocal Compensation Traffic or Measured Internet Traffic shall be in accordance with Section 5.7.5, below.</p> <p>5.6.3 Measurement of billing minutes for purposes of determining terminating compensation shall be in conversation seconds. The total conversation seconds over each individual Traffic Exchange trunk group will be totaled for the entire monthly billing cycle and then rounded to the next whole minute. Measurement of</p>	

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		<p>(b) In order that the Parties may calculate the balance of Local and Internet Traffic exchanged, the Parties agree to establish and implement a separate process ("Internet Ratio Calculation & Billing Process"), which shall be incorporated into this Agreement by amendment no later than 90 days following the Effective Date of this Agreement. The Parties agree that the following principles will govern the Internet Ratio Calculation & Billing Process: (i) Verizon and Cox shall, at an agreed-to interval following the end of the Parties' billing cycle(s), exchange billing summaries that include the total minutes of combined Local and Internet Traffic received from the other Party and accumulated during an agreed-to period of time; (ii) the billing summary shall include the cumulative minutes of use associated with every call in which the calling and called party's NPA-NXX (or LNP-equivalent identifier) are located within the local calling area and any mandatory expanded area service, as defined by Verizon's tariffs; (iii) following each Party's calculation of the ratio, the Parties shall bill one another for their exchange of</p>		<p>billing minutes for (unqueried) originating toll free service access code (e.g., 800/888/877/866) calls shall be in accordance with applicable Tariffs.</p> <p>Reciprocal Compensation Traffic Termination Rates</p> <p>A. Charges by Verizon</p> <p>(a) Traffic delivered to or Verizon Access Tandem: \$.001590 per MOU.</p> <p>(b) Traffic delivered directly to terminating Verizon End Office: \$.000927 per MOU.</p> <p>B. Charges by Cox</p> <p>I. Single-tiered interconnection structure:</p> <p>Cox's rates for the termination of Verizon's Reciprocal Compensation Traffic under the single-tiered interconnection structure shall be recalculated once each year on each anniversary of the Effective Date (the "Rate Determination Date"). The methodology for recalculating the rates is as follows:</p> <p><u>Access Tandem Minutes</u> = Total minutes of use of Reciprocal Compensation Traffic delivered by Cox to the Verizon Access Tandem for most recent billed quarter.</p> <p><u>End Office Minutes</u> = Total minutes of use Reciprocal Compensation Traffic delivered by Cox directly to the terminating Verizon End Office for most recent billed quarter.</p> <p><u>Total Minutes</u> = Total minutes of use of Reciprocal Compensation Traffic delivered by Cox to Verizon for</p>	

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		Local Traffic in accordance Section 5.7.1, and Cox will bill Verizon for its delivery of Internet Traffic according to this Section 5.7.7; and (iv) the Parties agree to make the Internet Ratio Calculation & Billing Process retroactive to the Effective Date of this Agreement		<p>most recent billed quarter.</p> <p><u>Cox Charge at the Cox-IP = (Access Tandem Minutes x \$.001590) + (End Office Minutes x \$.000927)</u></p> <p><u>Total Minutes</u></p> <p>For the first year after the Effective Date, the Cox charge shall be calculated based on the traffic data of the quarter immediately preceding such Effective Date, or if no such traffic exists, on the proportion of local call termination trunks to Verizon End Offices and to Verizon Access Tandems.</p> <p>2. <u>Multiple-tiered interconnection structure (if offered by Cox to any carrier)</u></p> <p>(a) <u>Reciprocal Compensation Traffic delivered to Cox Access Tandem: \$.001590/ MOU</u></p> <p>(b) <u>Reciprocal Compensation Traffic delivered to terminating Cox End Office/node: \$.000927/ MOU</u></p> <p>C. <u>Miscellaneous Notes</u></p> <p>1. <u>The Cox termination rate under the single-tiered interconnection structure set forth above is intended to be a Reciprocal Compensation Traffic termination rate for Interconnection to the Cox-IP within each LATA that is reciprocal and equal to the actual rates that will be charged by Verizon to Cox under the two-tiered Reciprocal Compensation Traffic termination rate structure described above that will apply after the first anniversary of the Effective Date. The single Cox termination rate is also intended to provide financial incentives to Cox to deliver traffic directly to Verizon's terminating End Offices once</u></p>	

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Issue No.	Statement of Issue	Petitioners' Proposed Contract Language	Petitioners' Rationale	Verizon's Proposed Contract Language	Verizon Rationale
				<p><u>Cox's</u> traffic volumes reach an appropriate threshold.</p> <p><i>1. Traffic Measurement and Billing over Interconnection Trunks</i></p> <p><i>1.1 For billing purposes, each Party shall pass Calling Party Number (CPN) information on at least ninety-five percent (95%) of calls carried over the Interconnection Trunks.</i></p> <p><i>1.1.1 As used in this Section 0, "Traffic Rate" means the applicable Reciprocal Compensation Traffic rate, Measured Internet Traffic rate, intrastate Switched Exchange Access Service rate, interstate Switched Exchange Access Service rate, or intrastate/interstate Tandem Transit Traffic rate, as provided in the Pricing Attachment, an applicable Tariff, or, for Measured Internet Traffic, the FCC Internet Order.</i></p> <p><i>1.1.2 If the originating Party passes CPN on ninety-five percent (95%) or more of its calls, the receiving Party shall bill the originating Party the Traffic Rate applicable to each relevant minute of traffic for which CPN is passed. For any remaining (up to 5%) calls without CPN information, the receiving Party shall bill the originating Party for such traffic at the Traffic Rate applicable to each relevant minute of traffic, in direct proportion to the minutes of use of calls passed with CPN information.</i></p> <p><i>1.1.3 If the originating Party passes CPN on less than ninety-five percent (95%) of its calls and the originating Party chooses to combine Reciprocal Compensation Traffic and Toll Traffic on the same</i></p>	

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				<p><i>trunk group, the receiving Party shall bill the higher of its interstate Switched Exchange Access Service rates or its intrastate Switched Exchange Access Services rates for all traffic that is passed without CPN, unless the Parties agree that other rates should apply to such traffic.</i></p> <p><i>1.2 At such time as a receiving Party has the capability, on an automated basis, to use such CPN to classify traffic delivered over Interconnection Trunks by the other Party by Traffic Rate type (e.g., Reciprocal Compensation Traffic/Measured Internet Traffic, intrastate Switched Exchange Access Service, interstate Switched Exchange Access Service, or intrastate/interstate Tandem Transit Traffic), such receiving Party shall bill the originating Party the Traffic Rate applicable to each relevant minute of traffic for which CPN is passed. If the receiving Party lacks the capability, on an automated basis, to use CPN information on an automated basis to classify traffic delivered by the other Party by Traffic Rate type, the originating Party will supply Traffic Factor 1 and Traffic Factor 2. The Traffic Factors shall be supplied in writing by the originating Party within thirty (30) days of the Effective Date and shall be updated in writing by the originating Party quarterly. Measurement of billing minutes for purposes of determining terminating compensation shall be in conversation seconds. Measurement of billing minutes for originating toll free service access code (e.g., 800/888/877) calls shall be in accordance with applicable Tariffs. Determinations as to whether traffic is Reciprocal Compensation Traffic or Measured Internet Traffic shall be made in accordance with Section 0 below.</i></p>	

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				<p><i>1.3 Each Party reserves the right to audit all Traffic, up to a maximum of two audits per calendar year, to ensure that rates are being applied appropriately; provided, however, that either Party shall have the right to conduct additional audit(s) if the preceding audit disclosed material errors or discrepancies. Each Party agrees to provide the necessary Traffic data in conjunction with any such audit in a timely manner.</i></p> <p><i>1.4 Nothing in this Agreement shall be construed to limit either Party's ability to designate the areas within which that Party's Customers may make calls which that Party rates as "local" in its Customer Tariffs.</i></p>	
I-5-d	<p>(d) Should specific terms be adopted to govern the implementation of the growth caps on compensable ISP-bound traffic, incorporating an actual number based on the parties' traffic for the first quarter of 2001, and should that cap be applied on an annual basis? How should the parties implement a Verizon offer to exchange all traffic subject to section 251(b)(5) at the rate mandated by the FCC for terminating ISP-bound traffic?</p>	<p><u>5.7.7.4 Cap on Total Internet Traffic Minutes</u></p> <p>(a) For Internet Traffic exchanged during the year 2001, and to the extent this Agreement remains in effect during that year, compensation at the rates set out above shall be billed by the terminating Party to the originating Party on Internet Traffic minutes only up to a ceiling equal to, on an annualized basis, the number of Internet Traffic minutes for which the terminating Party was entitled to compensation during the first quarter of 2001, plus a</p>	<ul style="list-style-type: none"> Specific terms and conditions regarding the growth caps applicable to ISP-bound traffic must not be excluded from the Agreement. The Agreement must contain specific terms regarding implementation of the growth caps on compensable ISP-bound traffic, including the actual baseline cap applicable to 2001. <p>See AT&T Rationale at I.5.</p>	<p><u>5.6 Measurement and Billing</u></p> <p>5.6.1 For billing purposes, each Party shall pass Calling Party Number ("CPN") information on at least ninety-five percent (95%) of calls carried over the Traffic Exchange Trunks.</p> <p>5.6.1.1 If the originating Party passes CPN on ninety-five percent (95%) or more of its calls, the receiving Party shall bill the originating Party the Reciprocal Compensation Traffic call completion rate, Measured Internet Traffic rate, Intrastate Exchange Access rates, intrastate/interstate Tandem Transit Traffic rates, or interstate Exchange Access rates applicable to each minute of traffic, as provided in Exhibit A, the FCC Internet Order and applicable Tariffs, for which CPN is passed. For any remaining (up to 5%) calls without CPN information, the receiving Party shall bill the originating Party for such traffic as Reciprocal</p>	<p>With regard to AT&T's currently proposed Issues I-5-d, Verizon agrees that this issue ultimately is appropriate for arbitration should the Parties fail to resolve it in the context of mediation.</p>

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		<p>ten percent growth factor. The Parties agree that the number of Internet Traffic minutes for which the terminating Party was entitled to compensation during the first quarter of 2001 is _____. Therefore, the cap for total Internet Traffic minutes for 2001, expressed on an annualized basis, is _____, which is calculated by multiplying the first quarter total by four and increasing the result by ten percent.</p> <p>(b) For Internet Traffic exchanged during the year 2002 and to the extent this Agreement remains in effect during that year, compensation at the rates set out above shall be billed by the terminating Party to the originating Party on Internet Traffic minutes only up to a ceiling equal to the number of Internet Traffic minutes for which the terminating Party was entitled to compensation in 2001, plus a ten percent growth factor. The Parties agree that the cap for total Internet Traffic minutes number of Internet Traffic minutes for which the terminating Party is entitled to compensation in 2002 is _____, which is</p>		<p>originating Party for such traffic as Reciprocal Compensation Traffic call completion rate, Measured Internet Traffic rate, intrastate Exchange Access rates, intrastate/interstate Tandem or Tandem Transit Traffic rates, or interstate Exchange Access rates applicable to each minute of traffic, as provided in Exhibit A, the FCC Internet Order and applicable Tariffs, in direct proportion to the minutes of use of calls passed with CPN information.</p> <p>5.6.1.2 If the originating Party passes CPN on less than ninety-five percent (95%) of its calls and the originating Party chooses to combine Reciprocal Compensation and Toll Traffic on the same trunk group, the terminating Party shall bill its interstate Switched Exchange Access Service rates for all traffic passed without CPN unless the Parties agree that such other rates should apply to such traffic.</p> <p>5.6.2 Either Party may classify traffic as either Reciprocal Compensation Traffic/Measured Internet Traffic or Toll Traffic for billing purposes by using Traffic Factor 1 and Traffic Factor 2, in lieu of CPN information. The Traffic Factor 1 and Traffic Factor 2 applicable upon the Effective Date are specified in Schedule 5.6. Such Traffic Factors may be updated by the originating Party quarterly by written notification. The determination of whether traffic is Reciprocal Compensation Traffic or Measured Internet Traffic shall be in accordance with Section 5.7.5, below.</p> <p>5.6.3 Measurement of billing minutes for purposes of determining terminating compensation shall be in conversation seconds. The total conversation seconds over each individual Traffic Exchange trunk group will be totaled for the entire monthly billing cycle and then</p>	

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Issue No.	Statement of Issue	Petitioners' Proposed Contract Language	Petitioners' Rationale	Verizon's Proposed Contract Language	Verizon Rationale
		<p>_____, which is calculated by increasing the cap for total Internet Traffic minutes for 2001 by ten percent.</p> <p>(c) For Internet Traffic exchanged during the year 2003 and to the extent this Agreement remains in effect during that year, compensation at the rates set out above shall be billed by the terminating Party to the originating Party only on Internet Traffic minutes up to the year 2002 cap determined in subsection 5.7.7.4(b) above.</p> <p>(d) The cap will be applied on an annual basis. The terminating Party shall bill the originating Party monthly for all Internet Traffic received until the annual cap is reached, at which point, the terminating Party will cease further billing of Internet Traffic for the remainder of that calendar year.</p> <p>(e) The minutes of Internet Traffic that exceed the ceiling established for each year shall be exchanged by the Parties on a bill and keep basis, without compensation being paid on such excess minutes by either</p>		<p>rounded to the next whole minute. Measurement of billing minutes for (unqueried) originating toll free service access code (e.g., 800/888/877/866) calls shall be in accordance with applicable Tariffs.</p> <p>Reciprocal Compensation Traffic Termination Rates</p> <p>A. Charges by Verizon</p> <p>(a) Traffic delivered to or Verizon Access Tandem: \$.001590 per MOU.</p> <p>(b) Traffic delivered directly to terminating Verizon End Office: \$.000927 per MOU.</p> <p>B. Charges by Cox</p> <p>I. Single-tiered interconnection structure:</p> <p>Cox's rates for the termination of Verizon's Reciprocal Compensation Traffic under the single-tiered interconnection structure shall be recalculated once each year on each anniversary of the Effective Date (the "Rate Determination Date"). The methodology for recalculating the rates is as follows:</p> <p><u>Access Tandem Minutes</u> = Total minutes of use of Reciprocal Compensation Traffic delivered by Cox to the Verizon Access Tandem for most recent billed quarter.</p> <p><u>End Office Minutes</u> = Total minutes of use Reciprocal Compensation Traffic delivered by Cox directly to the terminating Verizon End Office for most recent billed quarter.</p> <p><u>Total Minutes</u> = Total minutes of use of Reciprocal</p>	

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		<u>Party.</u> <i>See AT&T Contract Language at 1.5.</i>		<p>Compensation Traffic delivered by Cox to Verizon for most recent billed quarter.</p> <p><u>Cox Charge at the Cox-IP = (Access Tandem Minutes x \$.001590) + (End Office Minutes x \$.000927)</u></p> <p><u>Total Minutes</u></p> <p>For the first year after the Effective Date, the Cox charge shall be calculated based on the traffic data of the quarter immediately preceding such Effective Date, or if no such traffic exists, on the proportion of local call termination trunks to Verizon End Offices and to Verizon Access Tandems.</p> <p>2. <u>Multiple-tiered interconnection structure (if offered by Cox to any carrier)</u></p> <p>(a) <u>Reciprocal Compensation Traffic delivered to Cox Access Tandem: \$.001590/ MOU</u></p> <p>(b) <u>Reciprocal Compensation Traffic delivered to terminating Cox End Office/node: \$.000927/ MOU</u></p> <p>C. <u>Miscellaneous Notes</u></p> <p>1. <u>The Cox termination rate under the single-tiered interconnection structure set forth above is intended to be a Reciprocal Compensation Traffic termination rate for Interconnection to the Cox-IP within each LATA that is reciprocal and equal to the actual rates that will be charged by Verizon to Cox under the two-tiered Reciprocal Compensation Traffic termination rate structure described above that will apply after the first anniversary of the Effective Date. The single Cox termination rate is also intended to provide financial incentives to Cox to deliver traffic</u></p>	

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